



FINANCIAL AID DEVELOPMENTS

By Kim Slote, policy analyst

REFERENCE GUIDES

An [Electronic Announcement](#) was published by the USDE Dec. 3, 2015: 2016-2017 Summary of Changes Application Processing System Guide. Changes and enhancements to the application processing system for 2016-2017 are provided in this guide, including the topics listed here:

- Major changes to the 2016-2017 application processing system
- Application processing system schedule for 2016-2017
- The 2016-2017 FAFSA[®], including information about ordering and distribution of *FAFSA on the Web*SM Worksheets
- 2016-2017 *FAFSA on the Web*
- 2016-2017 FAA Access to CPS Online
- 2016-2017 Central Processing System (CPS), including database matches, edits, need analysis, communications sent to students, and other notable changes

On Dec. 15, 2015, the USDE published an [Electronic Announcement](#): Errata and Updates – Appendices [2015-2016 Federal Student Aid Handbook]. The direct dial phone number for the Federal Student Aid Information Center has been updated in Appendix A, on page A-30.

RECORD-KEEPING REQUIREMENTS

A [Federal Register Notice](#) was issued by the USDE Dec. 7, 2015: Comment Request: Financial Assistance for Students With Intellectual disabilities – Extension of Record-Keeping Requirements. The USDE is requesting an extension of current record-keeping requirements related to the administrative requirement of the financial assistance for students with intellectual disabilities program. Comments are due on or before Feb. 5, 2016.

TRAINING

Dear Colleague Letter [ANN-15-18](#) was published by the USDE Dec. 7, 2015: Webinar Recording – Protecting Student Information: IT Security Best Business Practices. This recorded webinar covers the protection of personally identifiable information on institutional campuses and at third party servicers. It is institutional responsibility to protect all Title IV federal student aid data. Various threats to data security and ways to minimize those threats are discussed in the training. You will need to log into [Federal Student Aid E-Training](#) to access the recorded webinar, presentation slides and transcript.

The USDE published an [Electronic Announcement](#) Dec. 10, 2015: 2016-2017



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FAFSA® *on the Web* Preview Presentation.

The Microsoft PowerPoint presentation attached to the announcement contains information and screen shots to assist the community with the 2016-2017 FAFSA processing cycle. Financial aid administrators, mentors and counselors can use the presentation as a reference tool for internal staff training and high school night presentations. The 2016-2017 Web Demonstration is available at <http://fafsademotest.ed.gov> and can be used as a training tool for staff, students and parents. The User ID to access the demonstration site is **eddemo** and the password is **fafsatest**. Contact information for further assistance is provided in the announcement.

FORMS

Dear Colleague Letter [GEN-15-20](#): Direct Loan and FFEL Program Reaffirmation Agreement, was originally published by the USDE Oct. 19, 2015. The attachment to the DCL was updated Dec. 8, 2015, to allow loan holders to add their address and phone number to Section 5 of the form. This is a new standardized Reaffirmation Agreement form for use by loan holders, servicers and schools. When a borrower inadvertently exceeds an annual or aggregate loan limit, they can regain Title IV eligibility by reaffirming the excess Direct Loan or FFEL

program loan amount. This form is for immediate use, with no other reaffirmation agreement being provided to borrowers after March 30, 2016.

Several Federal Register Notices were issued by the USDE requesting comments on possible revisions to existing forms. The notices are listed with the date of issue. Comment due dates are in each notice.

- [FR Comment Request: Federal Direct PLUS Loan Master Promissory Note and Endorser Addendum – Dec. 16, 2015](#)
- [FR Comment Request: Federal Direct Subsidized/Unsubsidized Loan Master Promissory Notes – Dec. 16, 2015](#)
- [FR Comment Request: Federal Direct Consolidation Loan Application – Dec. 18, 2015](#)
- [FR Comment Request: William D. Ford Federal Direct Loan Program General Forbearance Request – Dec. 24, 2015](#)

PROGRAM INTEGRITY

A [Federal Register Notice](#) was issued by the USDE Dec. 8, 2015: Clarification of Regulations Related to Incentive Compensation. This notice provides additional information and clarification



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related to the Oct. 29, 2010 final regulations (revised March 22, 2013). In response to a district court order in *APSCU v. Duncan*, the USDE has reconsidered their interpretation that the regulations included graduation-based and completion-based compensation in the ban for educational institution recruiters. The regulations at 34 CFR 668.14(b)(22) only implement a ban on enrollment-based compensation to recruiters of students. The notice gives more detail on the decision and comments related to this topic.

An [Electronic Announcement](#) was published by the USDE Dec. 18, 2015: Program Integrity Questions and Answers (Q&A) Website Update. Q&A FHD-Q2/A2 of the high school diploma portion of the website was recently updated. To view updates go to the [Program Integrity Website](#) and view the appropriate section.

GAINFUL EMPLOYMENT

Electronic Announcements, a Dear Colleague Letter and updated links to Gainful Employment resources were published by the USDE in the month of Dec. Links to the announcements with dates of publication are listed.

- [Dear Colleague Letter ANN-15-17: Webinar Recordings – Gainful](#)

[Employment: Interpreting the GE Completers List and How to Submit a Challenge to the GE Completers List – Dec. 8, 2015](#)

- [Gainful Employment Electronic Announcement #71 – Reviewing and Correcting GE Completers Lists – Dec. 11, 2015](#)
- [Gainful Employment Electronic Announcement #72 – Updated NSLDS Gainful Employment User Guide – Dec. 18, 2015](#)
- [Gainful Employment Information – Webinars and Presentations – Dec. 8, 2015](#)
- [Gainful Employment Information – Resources – Dec. 18, 2015](#)

PUBLICATIONS

The USDE published an [Electronic Announcement](#) Dec. 9, 2015: Annual Letter Regarding Publication Updates Now Available on FSAPubs.gov. Information included in the letter highlights updates to Federal Student Aid publications and FAFSA materials, a list of useful URLs to answer students' frequently asked questions and notification that the paper FAFSA booklet will no longer be printed beginning in 2017-2018.



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FSA ID/PIN

On Dec. 9, 2015, the USDE published an [Electronic Announcement](#): FSA ID/PIN Replacement: Resources Available for Financial Aid Administrators. Parents and students use an FSA ID to sign the FAFSA, log in to the IRS Data Retrieval Tool or sign a Master Promissory Note for a federal education loan. A number of FSA ID resources have been developed to assist financial aid administrators in their efforts to educate students and parents on how to create an FSA ID. The outreach materials listed below can be found at FinancialAidToolkit.ed.gov/fsaid.

- What's an FSA ID and Why Do I Need One?
- Creating and Using Your FSA ID: An Overview
- FSA ID Digital and Social Outreach
- How to Create an FSA ID

ENTERPRISE COMPLAINT SYSTEM

A [Federal Register Notice](#) was issued by the USDE Dec. 10, 2015: Comment Request: Enterprise Complaint System. The USDE has proposed a new information collection through development of a centralized complaint system. Students and borrowers will be able to file complaints and provide feedback about federal student loan lenders,

servicers, collection agencies and institutions of higher education. Comments are due on or before Feb. 8, 2016.

TECHNICAL

An [Electronic Announcement](#) was published by the USDE Dec. 11, 2015: Availability of 2016-2017 CPS Test System Data Files and Comment Code Text. The test application and Institutional Student Information Record data files and ISIR Comment Code text for use with the mainframe portion of the 2016-2017 Central Processing System Test System on the Federal Student Aid Download Website is now available at <https://www.fsadownload.ed.gov>.

The USDE published an [Electronic Announcement](#) Dec. 14, 2015: 2015-2016 COD System Peak Processing Reminders. January 2015 began another peak processing period for the Common Origination and Disbursement System. This announcement outlines key reminders for schools to assist with planning and processing.

An [Electronic Announcement](#) was published by the USDE Dec. 22, 2015: Updated Record Layouts for the NSLDS School Portfolio Report, Delinquent Borrower Report, and MyStudentData Download. The updated record layouts are posted on the [NSLDS Record Layouts page](#) on the



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Information for Financial Aid Professionals Website. Updates to each layout are described in the announcement.

On Dec. 28, 2015, the USDE published an [Electronic Announcement](#): Availability of 2016-2017 CPS Web Applications Demonstration (Web Demo) System and 2016-2017 CPS Mainframe Test System. The 2016-2017 CPS Web Demo System and 2016-2017 CPS Mainframe Test System are located at <http://fafsademo.test.ed.gov> and are now available for testing. Information on what features are accessible in the test environment is outlined in the announcement, along with the user name and password to use the website.

REPAYE PLAN

The USDE published an [Electronic Announcement](#) Dec. 17, 2015: Loan Servicing Information – Availability of Revised Pay As You Earn Plan and Updated Income-Driven Repayment Plan Request. All Direct Loan borrowers with eligible loan types now have another option for repayment, regardless of when they obtained their loans. The regulations for this new repayment plan were issued in the [Oct. 30, 2015 Final Rule](#), with an early implementation that began Dec. 17, 2015. For complete information on the REPAYE

Plan, go to the [Income-Driven Plans page](#) of the StudentAid.gov Website.

An associated Dear Colleague Letter [GEN-15-22](#) was published by the USDE Dec. 17, 2015: Approval of the Income-Driven Repayment Plan Request for Direct Loan and FFEL Programs. Information is provided on the significant revisions made to the form, as well as upcoming changes to be made to the form in March 2016. The revised IDR Request form is attached to this DCL.

DIRECT LOAN PROGRAM

On Dec. 17, 2015, the USDE published an [Electronic Announcement](#): William D. Ford Federal Direct Loan Program Reconciliation. Specific information is provided in this announcement to assist schools with reconciling the William D. Ford Federal Direct Loan Program. Both the Financial Aid Office and the Business Office should review this announcement. It is mandatory that Direct Loan reconciliation be conducted monthly per 34 CFR 685.300(b)(5). An [attachment](#) is included with the announcement that has questions and answers for additional information.



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VERIFICATION

Dear Colleague Letter [GEN-15-11](#): 2016-2017 Award Year: FAFSA Information to be Verified and Acceptable Documentation, originally published by the USDE on June 29, 2015, was updated Dec. 21, 2015, due to recent changes in guidance. The changes to what is considered acceptable documentation are outlined in the DCL.

FSA DATA CENTER

The USDE published an [Electronic Announcement](#) Dec. 21, 2015: Federal Student Aid Releases Quarterly Default Recoveries Report. The [FSA Data Center](#) is a centralized online source for Federal Student Aid data. This is the first Quarterly Default Recoveries Report posted, which details the dollar amount recovered by each private collection agency during the quarter ending Sep. 30, 2015. Additional data elements will be included in future releases, such as private collection agency compensation. The announcement outlines key findings based on this report.

STUDENT AID INTERNET GATEWAY

An [Electronic Announcement](#) was published by the USDE Dec. 28, 2015: Access Removed for Unconfirmed TG Numbers (SAIG) and Electronic Services User

Accounts. The active confirmation process to review and validate assigned TG numbers required for every organization enrolled for a Student Aid Internet Gateway account has been completed. Access has been removed to enrolled services for accounts that were not actively confirmed. If account access needs to be restored, contact your organization's Primary Destination Point Administrator to have the account validated. Instructions for how to validate an account are provided in this announcement.

FAFSA

On Dec. 29, 2015, the USDE published an [Electronic Announcement](#): 2016-2017 Free Application for Federal Student Aid, FAFSA on the Web Worksheet and the Student Aid Eligibility Worksheet for Question 23. The final versions of the 2016-2017 FAFSA and the 2016-2017 Student Aid Eligibility Worksheet for Question 23 are available in English or Spanish at www.fafsa.gov. Students can print the FAFSA and complete it manually or enter their data on a screen-fillable form before printing. The optional FAFSA on the Web Worksheet gives applicants an opportunity to preview questions that may be asked when completing the FAFSA on the Web. Copies of the 2016-2017 FAFSA and FAFSA on the Web Worksheet, English and Spanish, are attached to this announcement.



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NACIQI

eligibility that the Secretary may prescribe by regulation.

A [Federal Register Notice](#) was issued by the USDE Dec. 31, 2015: Notice of Membership: National Advisory Committee on Institutional Quality and Integrity. The members of this committee are listed in the notice. Meeting at least twice a year, the NACIQI provides recommendations to the Secretary of Education pertaining to:

- The establishment and enforcement of the standards of accrediting agencies or associations under subpart 2 of part H of Title IV, HEA.
- The recognition of specific accrediting agencies or associations.
- The preparation and publication of the list of nationally recognized accrediting agencies and associations.
- The eligibility and certification process for institutions of higher education under Title IV of the HEA.
- The relationship between (1) accreditation of institutions of higher education and the certification and eligibility of such institutions and (2) State licensing responsibilities with respect to such institutions.
- Any other advisory functions relating to accreditation and institutional